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## CTTC Meeting Materials

May 15, 2007  
The Fairmont Hotel  
San Francisco, CA

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# California Travel and Tourism Commission Commission/Marketing Advisory Committee Meeting

Tuesday, May 15, 2007

Commission/Marketing Advisory Committee Meeting

Time: 9:00 a.m. to 4:00 p.m.

12:30 p.m. to 1:30 p.m.— working lunch

The Fairmont Hotel  
San Francisco, California



May 15, 2007

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# **Commission Meeting Agenda**

## **May 15, 2007**

## CTTC Commission Meeting

Tuesday, May 15, 2007  
9:00 a.m. – 4:00 p.m.

The Fairmont Hotel  
950 Mason Street  
San Francisco, California  
Terrace Ballroom

### AGENDA

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*Any and all items on this Agenda are subject to discussion and vote*

- I. Call to Order/Approval of Agenda and February 27, 2006 Commission Meeting Minutes
- II. Opening Remarks
- III. Executive Director Report
- IV. Nominating Committee Report
  - a. Discussion/Fill Existing Vacancies on Commission and Executive Committee]
  - b. Consider establishment of Governance Committee
- V. Referendum Update/Assessment Update
  - a. Establish Task Force for Referendum
- VI. Strategic Planning and Government Affairs Update
  - a. Consideration of Program Legislative and Regulatory Changes
  - b. Federal Update and Travel Leadership Summit Report
- VII. Marketing Advisory Committee Update – See Marketing Advisory Committee Meeting Agenda
- VIII. Legal Issues
  - a. Review of Formal Adoption of Resolution with Respect to Government Affairs and Lobbying Issues.
  - b. Review of Policy and Legal Restrictions with Respect to Contracts Involving Third Parties Including Trade Associations, Convention and Visitor's Bureau's and Marketing Programs.
  - c. Consider Bylaw Amendments regarding ex-officio board positions.
  - d. Other Legal Matters
- IX. Financial Report
  - a. Financial Reports
  - b. Status of Contract with State
  - c. Consideration and Approval of FY 07-08 Budget
  - d. Other Financial Matters
- X. Other Business
  - a. CTTC Meeting Dates for 2007/2008
- XI. Public Comment
- XII. Adjournment

# **Commission Meeting Minutes**

## **February 27, 2007**

CTTC Commission Meeting  
February 27, 2007  
1:30 p.m. to 4:00 p.m.

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**Call to Order/Opening Remarks**

Acting Secretary Sedlick called the meeting to order at 1:38p.m. Roll was taken and the following Commissioners were present: Commissioner Anderson, Bilby, Bridwell, Burba, Cohn, Conley, Handlery, Klein, Koeberer, Lawrance, MacRae, Meunier, Netting, O'Modhrain, Patel, Wagnon, and Westrope. Other present included: Len Almatech, Bob Amano, Kathy Anderson, Susan Anderson, Wendy Arzaga-Messersmith, Lori Bartle, Jeanne Berube, Caroline Beteta, Larry Broughton, Troy Cantrell, Lynn Carpenter, Guy Chambers, Joan Clark, Bradley Cleveland, Shellie Cook, Rene Dennis, Jim East, Damon Eberhart, Tracy Garrett, Tammy Hauohey, Heather Hudson, Michael Hudson, Ross Hutchings, Jennifer Jasper, Brad Johnson, Jean Johnstone, Kerri Kapich, Rob Kasmerski, Mike Kvarme, Kristen McCluskey, John McMahon, Dave Mering, Michael Merner, Amanda Moreland, Crystal Muhlenkamp, Jonelle Norton, Jo-Anna Palmer, Andy Price, Carl Ribaud, Scott Scheinder, Joshua Sellers, Janice Simoni, Gwynne Spann, Barbara Steinberg, Percy Stevens, Glenda Taylor, Jon Trumbull, Morton Waller, and Susan Wilcox.

Commissioner absent included: Commissioner Balestreri, Dunlap, Erskine, Fujiwara, Gregory, Gribbon, Hansen, Jamison, Kennedy, Litrenta, McDowell, Meinhold, Patel, Running, and Zucker.

**Motion by Commissioner Meunier to approve the minutes of October 25, 2006 meeting. Second by Commissioner Wagnon. Motion unanimously approved.**

**Executive Director Report/Government Affairs Update**

Executive Director Beteta reported that the CTTC is in a referendum year and the assessed businesses will vote whether they wish to continue the CTTC program. She reported that all of the regional marketing representatives will be conducting outreach and this is a great time for them to remind the industry of all the work the CTTC does. She reported that California now ranks number two on the TIA comparative of all state budgets.

She reported that on a federal level the industry has a major challenge in decreasing a negative US image. She stated that our U.S. image is in negative decline and the process for entry to the country is confusing; the US ranks last in the world in a survey for ease of entry process. Many

travel leaders, have undergone an effort to engage, in part with the Industry summit on the federal level, which has been the most successful effort so far. This matter is very important to the CTTC, who has partnered with LA Inc. Together they have approached the Los Angeles city council to form a solution. Executive Director Beteta encouraged other cities and ports of entry to get involved. We need to reinvigorate a 21<sup>st</sup> century visa system; a call to modernize and secure ports of entry. She reported that the TIA Travel Leadership Summit is Sept 26 and the CTTC will schedule a dinner like last year. She reported that California had the most successful event last year with almost 30 members of congress in attendance, including Speaker Pelosi.

Assembly member Karnette reported that she is very supportive of Tourism. She thanked everyone for being involved in the industry. She reported that we need to work on the problems, there are fewer people traveling in and out of the state. She also stated that she has seen a great change and we only have about 25% of the people in the country have passports.

She reported that Senate and Assembly changes drastically every two years and reported that seven out of nine of the committee members are new this year and they are trying to get them up to speed on related policy matters.

### **Assessment Update**

Executive Director Beteta stated that staff is reviewing with the Executive Committee on whether or not to allow payments by credit card. She stated that the infrastructure to accept payments is in place and the can be activated at anytime.

### **Nominating Committee Update**

Commissioner Lawrance reported the Nominating Committee has focused on the need to fulfill an obligation to the rental car agencies and with the resignation of John Bazin; the committee would like to put forward Jerry Dow of Vanguard for full Commission approval.

**Motion by Commissioner Meunier to bring Jerry Dow to the Commission. Second by Commissioner Koeberer. Motion unanimously approved.**

Commissioner Lawrance also stated that the committee will be meeting in the next months to review Commissioner attendance.

## **Legal Update**

Nothing to Report

## **Financial Report**

Commissioner Westrope reviewed the periodic budget report. The financial report was reviewed. She stated that the CTTC was waiting for \$1 million in income from the state and therefore has not been posted as of 12/31. She reported that the CTTC has begun to receive the rental car assessment revenue.

Motion by Commissioner Meunier to approve financial reports are presented. Second by Commissioner Wagnon. Motion unanimously approved.

## **Marketing Update**

*See Marketing Minutes*

## **Other Business**

Executive Director Beteta reported that the next Commission meeting will be held on May 15, 2007 in San Francisco at The Fairmont.

## **Pubic Comment**

Ross Hutchings reminded everyone that March 13<sup>th</sup> was the deadline to register for The Conference on Tourism.

## **Adjournment**

Motion by Commissioner Meunier to adjourn meeting at 4:03pm. Second by Commissioner Anderson. Meeting Adjourned.

# **Marketing Advisory Committee Agenda**

## CTTC Marketing Advisory Committee Meeting

Tuesday, May 15, 2007  
9:00 a.m. – 4:00 p.m.

The Fairmont Hotel  
950 Mason Street  
San Francisco, California  
Terrace Ballroom

### AGENDA

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Any and all items on this Agenda are subject to discussion and vote

- I. Call to Order/Approval of Agenda and February 27, 2007 Marketing Advisory Committee Meeting Minutes/Welcoming Remarks
- II. Executive Director Report
- III. FY 07-08 Strategic Marketing Plan (\$50 Million) – Presentation of Updated Document/Budget and Annual Work Plans
  - a. Consideration and approval of FY 07-08 Marketing Budget and Plan
- IV. Domestic Advertising/Co-op Update
  - a. Spring/Summer Advertising Campaign Update
  - b. Focus Group Research Report
  - c. New '07/'08 Creative Presentation
  - d. Proposed '07/'08 Media Plan
  - e. Update on Cooperative Marketing Activities
    - i. California Snow
    - ii. Treasure Hunt
    - iii. SHOP
    - iv. Fun Spots
    - v. Culture California
- V. Technology/Web site
- VI. Publications/Fulfillment Report
- VII. International Report
  - a. Travel Trade Update
  - b. Pow-Wow Re-cap
  - c. Other International Trade Shows (ITB, Expo Vacaciones)
  - d. International Office Updates
  - e. Communications
  - f. Consumer/Co-op
  - g. Individual Country Plans/Budget
  - h. Governor's Canada Mission
- VIII. Domestic Communications/Media Relations Report
  - a. Media Events (Miami/New York-Culinary)
  - b. High Definition/B-Roll Project
- IX. Welcome Center Status/Update
- X. Research Update
- XI. Other Business/Public Comment
- XII. Adjournment

**Marketing Advisory Committee  
Meeting Minutes  
February 27, 2007**

CTTC Marketing Advisory Committee Meeting  
February 27, 2007  
9:00 a.m. to 12:30 p.m.

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Commissioner Bilby called the meeting to order at 9:30 a.m. Roll was taken, and the following Commissioners were present: Patti MacJennet, Woody Peek,

**Motion by Commissioner Menuier to approve the minutes of October 24, 2006. Second by Commissioner Wagnon. Motion unanimously approved.**

**Executive Director Report**

Executive Director Beteta reported that the CTTC is in a referendum year and the assessed businesses will vote whether they wish to continue the CTTC program. She reported that all of the regional marketing representatives will be conducting outreach and this is a great time for them to remind the industry of all the work the CTTC does. She reported that California now ranks number two on the TIA comparative of all state budgets.

She also reported that the Governor has agreed to return to our advertising campaign and is also working on developing two international trade missions this year. He will be announcing a Canada Trade and Tourism Mission in May and will be looking at a Trade and Tourism Mission to India in November. She reported that the Mexico Trade and Tourism Mission went very well. Executive Director Beteta announced that Dale Bonner has been announced as the new Secretary of Business, Transportation and Housing.

**Domestic Advertising**

Denise Miller of SMARI reported on domestic advertising, she stated that SMARI has measured the impact of tourism from influenced travel and incremental travel. In the 2006 results, there were 15.6 million trips. The average expenditures of the trips were \$1200-\$1500 dollars. She reported that tourism had a total economic impact of \$19.3 billion and \$1.2 billion in tax revenue. General fund ROI is approximately \$29 returned per dollar spent up from \$19 in the past. She reported that the national cable buy has significantly motivated travel. The ad buy this past year has influence 10.5 million trips from in-state. For the Snow campaign, SMARI did a first year awareness phase and the Snow campaign was higher than any other competitor. Those who had seen the ad message said they were twice more likely to visit than before. She reported that the competitive situation is challenging.

Dave Mering reported on the spring-summer campaign update. He reported that there was a great opportunity to film Jeff Gordon at the California Speedway and last November they shot three new scenes for

the spot. New scenes that will be added back into the spot are the Governor, in addition to Wolfgang Puck, and Jeff Gordon.

Lori Richards reported that the media plan is focused on television with network and national cable buys, in the addition to Canada. The CTTC has a year around internet presence with search engine optimization, emails blasts, print, and partnerships that are all geared toward the affluent travelers. The campaign is aired in the morning and evening television spots debuting during this year's academy awards. The majority of the spots will run during prime time and key shows. The delivery is approximately doubled what we had last year and will reach 71% of our core target over eight times. We also have the winter campaign that ran in four markets and on the internet. The spots will run through May and will also be airing in Canada for 9-12 weeks starting in March. Lori Bartle stated that the campaigns have been put on youtube.com for additional reach. Lori also stated that the traffic to the snow web site for February was approximately 35,000 visitors, compared to 90,000 visitors for the entire first year.

### **Focus Group Update**

Lori Bartle reported that it has been about nine years since the CTTC has done any focus group research. She reported that during the focus groups they spoke with out of state, in-state and international travelers. The good news is that the strategic platform is very solid and based on three ideas: Must see, must feel, and the must experience. Lori stated that from the focus group research they have been able to gather new information to update the strategic planning and creative development team in identifying new initiatives.

### **Strategic Plan Update**

Commissioner Bilby stated that staff has been working with the committees and putting together the new Strategic Plan. A lot of research has been completed, numerous meetings were held with staff, the industry and the international offices.

The Strategic Plan was reviewed. Lynn Carpenter reported that during the process they have identified the key goals as follows: to market the entire state or niche activities; consistent brand development; do what the industry can't do for itself; leverage cooperative programs and focus on international and new market development; gain ROI; focus on consumer trade and media audiences; focus on out of state and international visitors; support assessed businesses; establish a technology platform for all programs and align with key California CVB's to coordinate a resource base.

Lynn Carpenter reported that Asia is the market expected to show the greatest growth. She reported that the age wave emerging as well. The percentage of baby boomers will go from 20% to 25% and older

travelers are interested in learning vacations. The CTTC is looking at a much broader market in terms of our competitive set. Domestic visitors are traveling via car from instate travel 90%. Sixty percent of out of state travelers are also driving. International visitors are flying then renting cars. Executive Director Beteta stated that since we are at the \$50 million level, we need to recognize that the CTTC needs to be able to influence incremental travel as part of the overall tourism economy.

The strategic matrix was reviewed. Lynn stated that the website search engine optimization is very important and will be a major task in the coming year. The CTTC will be developing a quarterly newsletter, and integrating campaign sites as well. The CTTC is also working with Sunset for the new re-designed Visitor's Guide for 2008. Staff will additionally be implementing the new technology that will allow people to have more personalized information on the web. Continue to develop new key partnerships, continue to serve our assessed businesses, and develop cooperative programs in the off season.

Marketing budget is reviewed.

**Motion by Bob Warren to approve budget for full Commission approval. Second by Commissioner Wagnon. Motion Unanimously Approved.**

### **Adjournment**

Motion by Commissioner Meunier to adjourn meeting 12:30 pm. Second by Commissioner Anderson. Meeting Adjourned